

Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

Approved

March 26, 2013

Attendees: Jim Pinkerton, *Regence*; Dave Jackson, *FirstWest Benefit Solutions*; John Borer, *PEHP*; Tomasz Serbinowski, *UID*; Nancy Askerlund, *UID*; Jim Murray, *SelectHealth*; Perri Babalis, *Utah Attorney General*; Patty Conner (Proxy for Norm Thurston), *OCHS*; Sue Watson, *OCHS*; Jill Goodmansen, *OCHS*; Rebecca Norfleet, *OCHS*; Paul Anderton, *UID*; Lincoln Neehring, *Voices*; Lorraine Mayne, *Milliman*; Russ Johnston, *FirstWest Benefit Solutions*; Don Garlitz, *bswift*; Doug Springmeyer, *Molina*

Kim Miller, *UHC* (via telephone); Brian Smart, *EMI* (via telephone); Frank Kyle, *Altius* (via telephone)

- I. Meeting called to order at 1:02 p.m.
- II. February 26th meeting minutes approved with corrections noted.
- III. Patty Conner from OCHS gave an update regarding the Exchange – Dashboard information handed out can also be found at www.Avenueh.com
 - a. Dashboards for April
 - i. 340 Employer Groups
 - ii. 2792 employees enrolled
 - iii. 7853 total headcount enrolled in benefits
 - iv. Even though the group count went up, the number enrolled went down due to sizeable group dropping coverage from Avenue H.
 - v. Renewal percentage dropped to 89.5%
 - vi. 32.4% of groups that go through underwriting join Avenue H.
 - vii. 64% of groups that join previously did not have coverage as of 1/1/2013.
 - b. Bifurcated Approach
 - i. Sent over bifurcated approach and have had conversations with HHS. Waiting for final approval in the next week or so. Still have some outstanding items so notification was sent and date has not been set for deadline for HHS.
 - ii. Met with carriers last week and went over projects and upcoming time lines. As of March 28th, carriers can start submitting plans into SERFF.
- IV. John Borer with PEHP
 - a. Risk Adjustment & Premium Allocation subcommittee report
 - i. Met twice since last meeting. How to treat individuals going to individual market place? Should they be a valid or invalid waiver?

One carrier stated individual policies should not be a valid waiver. Other viewpoints, currently Medicare, chip, etc. are valid waivers and not much of a stretch to consider individual policies a valid waiver. May encourage groups on Avenue to shed employees from roster. May encourage additional groups due to the participation requirement. Small groups may pull out of the market all together and get their own coverage. Could keep the small groups intact. Regence does not want to allow individual policies as a valid waiver. UHC and select were okay with allowing individuals as a valid waiver. Could help with many aspects of the Avenue H if decision is made. What kind of risks are there for the carriers? Jim P. Regence stated they want to keep the small group market around as long as possible and if the waiver for individuals is put into play, this may not happen. Avenue H wants to give the best of both worlds in the individual market and the small group market. Dave J. thinks the waiver should not be allowed. Supports retaining the 75% requirement and not allow the individual market to be counted as a valid waiver. Patty Conner stated Tanji said this rule could be done on Avenue H but not in the traditional market. Waiver rule today states if you do not meet participation, the group will be denied. Patty stated would like to see those employees that do not qualify for the individual subsidy to have an option in the small group market. **John Borer made motion to allow valid individual waiver for those receiving an advanced premium tax credit. Jim Murray seconds motion. No further discussion. 5 yes, 2 no. Motion passes to allow individual coverage as valid waivers.**

- ii. New hires and life events and IRF processing. What happens in 2014 when there are new hires and life events? Avenue H would like to streamline process. All 3 carriers agreed to the approach determine IRF as the average IRF at the beginning of the effective date. If new employees are added, that average IRF would be applied. If life event such as a new baby is added, the IRF would not change. Applies only in the transition in 2014. Affects just the premium allocation. Effective date is the date we stop taking applications for new business. Patty Conner stated they have not decided if we will take applications in November and December 2013. **John Borer made motion for new employees added to a group, determine their individual risk factor (IRF) as the average IRF for the group as of the original benefit effective date or renewal effective date, whoever applies. The average IRF will be calculated for each group at the beginning of the coverage effective period and will be used throughout the**

current plan year. For life status events, the employee's existing IRF will be used. For example, if an employee adds a spouse or child there will be no change in their IRF effective January 1, 2014. Jim Murray seconds motion. John amends original motion and substitutes new motion with updated effective date above . Motion carries unanimously.

- V. Kim Miller with United HealthCare
 - a. Underwriting Subcommittee Report
 - i. No new update to report
- VI. Jim Murray with SelectHealth
 - a. Legal Subcommittee
 - i. Patty and Jim Murray talked about a contract between Avenue H and the carriers. When do these discussions need to take place? Patty brought up the 'I agree' statements in the system. Not as directive and forcible as OCHS would like them to be. All carriers wanted to get together to come up with 'I agree' statements. Wants to get this in the process by September. Would like to send back a communication to the groups letting them know what they agree to after they sign up with coverage on Avenue H.
- VII. Insurance Department
 - a. Memo issued yesterday stating Insurance Department will be doing the plan management portion of the individual and group markets. Went over deadlines and time frames.
- VIII. Dave Jackson asked assuming HHS allows Avenue H to be the state SHOP solution, what are deadlines for new carriers joining Avenue H. Carriers need to stay in for one year and only joining January 1. Carriers need to notify us by April 15th if they would like to join Avenue H. Patty stated premium aggregation has been delayed until October 1, 2014 and selection of choice. Feds will only have the option for qualified health care level the first year. Utah already has choice in place and meeting the requirements.
- IX. Next Meeting will be April 23, 2012 at 1:00 pm
- X. Meeting adjourned at 2:10 p.m.